

RETAIL STRATEGIC PLAN UPDATE STOREFRONT VACANCIES BEST PRACTICES

Economic Development and University Relations Committee

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Presentation Outline

- Retail Strategy Implementation Update
- Vacant Storefronts Best Practices – Lessons Learned
- Vacant Storefronts Project – Next Steps



Retail Strategic Plan Guiding Principles

1. **DRIVE EXPERIENCE**
2. **THRIVE ONLINE**
3. **HELP SMALL BUSINESSES REMAIN COMPETITIVE**
4. **IMPROVE ACCESS**
5. **SUPPORT AND BUILD CAPACITY OF LOCAL BUSINESS ASSOCIATIONS**
6. **FILL GAPS**
7. **ADDRESS REGULATORY BARRIERS**

Retail Strategic Plan Update

1. **DRIVE EXPERIENCE**
 - District Assessment
 - Small Business Challenge
2. **THRIVE ONLINE**
 - Small Business Data Dashboard
 - Translation Services
 - Small Business Summit
 - Small Business Open Houses
 - Small Business Workshops
3. **HELP SMALL BUSINESSES REMAIN COMPETITIVE**
 - Provide access to legal services through the Small Business Coaching Program
 - Expand Storefront Improvement Program



Retail Strategic Plan Update

4. IMPROVE ACCESS

- Construction mitigation pilot (FY19)

5. SUPPORT AND BUILD CAPACITY OF LOCAL BUSINESS ASSOCIATIONS

- Central Square BID support
- Leadership training for business associations

6. FILL GAPS

- [Food Truck Pilot Program](#)
- Vacant Storefront (FY19)

7. ADDRESS REGULATORY BARRIERS

- Retail Land Use Initiative (FY19)



Storefront Vacancies Best Practices

OBJECTIVES:

- Identify strategies to help the City address the ongoing challenges with storefronts that are vacant
- Study reasons behind vacancies in Cambridge
- Conduct a scan of best practices implemented in municipalities around the country, specifically Massachusetts

Retail Vacancy Trends

- Cambridge ground-floor vacancy is approximately 3%. Nationally, vacancy is 8-10%. Healthy vacancy is considered 5%.
- Duration of vacancies in Cambridge range from 6+ years to less than a month.
- Costar is reporting that 2018 store closure announcements will outpace the record set in 2017.
- Retail trends have shown that many large and small retailers are downsizing, trying to find the mix between a physical footprint and e-commerce.

Main Findings – Cambridge Vacancies

SITE-SPECIFIC AND DISTRICT LEVEL CAUSES FOR VACANCIES

- Knowledge gap
- Tax write off
- Tenant attraction strategy / neighborhood retail mix
- Under development or lease negotiation
- High asking rents or speculative rents
- Disinterested or absent owner
- Community opposition
- Licensing and permitting challenges
- Generational change in ownership

Main Findings – Vacant Property Registration Ordinances

- **Variety of causes, variety of techniques**
- **Fees and fines will not likely work on large property owners (passive loss write-off)**
- **Enforcement is largely discretionary – hard to determine what spaces are actually vacant**
- **Current programs have no empirical data that shows they are working**

Next Steps

- Engage property owners and real estate agents
- Develop a Citywide Vacant Storefront Database (updated quarterly)
- Local Artist Building Wrap Contest – encourage installation of local art in vacant storefronts
- Support local organizations (like the ECBA concept) that want to facilitate temporary art/retail installations
- Understand the barriers for pop-ups

